


Office of Shared Accountability
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

September 16, 2013

MEMORANDUM

To: Mrs. Irina LaGrange, Principal
Tilden Middle School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Independent Activity Funds for the Period
September 1, 2011, through July 31, 2013

Independent Activity Funds (IAFs) of Montgomery County Public Schools (MCPS) are established to promote the general welfare, education, and morale of students as well as to finance the recognized extracurricular activities of the student body. Principals are the fiduciary agents for the IAFs charged with determining the manner in which funds are raised and expended for activities such as field trips, admission events, and fundraisers. They are responsible for ensuring that IAFs are administered in accordance with MCPS policies, regulations, and procedures.

IAF audits are conducted regularly to evaluate compliance with MCPS policies, regulations, and procedures, and to review processes for continuous improvement. Generally accepted audit procedures guide the work of the auditors who examine samples of IAF records and financial accounts selected from documentation of various activities to verify their accuracy as well as to assess the effectiveness of financial control procedures. An IAF audit does not review every transaction or school activity but seeks to provide reasonable assurance that there is compliance with MCPS policies, regulations, and procedures, and that any significant errors or omissions in the financial records are detected.

In our meeting on September 12, 2013, with you, and Mrs. Mei Chung, financial specialist, we reviewed the status of the conditions described in our prior audit report dated September 16, 2011, and the status of present conditions. This audit report presents the findings and recommendations resulting from our examination of the IAF records and financial accounts for your school for the period designated above.

Findings and Recommendations

Sponsors of field trips should have a complete class or club roster of student names and annotate how much and when each student paid, students who did not participate in the trip, and students who received waivers, scholarships or reduced fees. This data should be provided to the financial specialist at the completion of each trip for comparison to remittances recorded in the trip account history report. We found not all sponsors are turning in completed data at the conclusion of each trip to compare to the final account history report. We also found some field trip fees were not being remitted in a timely manner. To minimize the risk of loss, all funds collected should be given to the

financial specialist daily. We also found instances in which fees collected exceeded sums needed to pay for a trip. We recommend trip sponsors use MCPS Form 280-41, *Field Trip Accounting*, or its equivalent, and provide complete data at the conclusion of each trip. This data must be reconciled with remittances recorded in activity accounts. We further recommend trip planning be reviewed to ensure established fees are commensurate with trip expenses (see MCPS Financial Manual, p. 20-9).

The *Handbook for the Operation of School Stores* provides instruction and guidance for the operation of MCPS school stores, including internal controls over cash (see pp. 6, 7). We found required controls were not in place. Sales transactions were not tracked and money was being held by the sponsor. We also noted that the school store was selling snack items before and after school that did not meet the nutritional guidelines. We recommend review of MCPS Regulation JPG-RA, *Wellness Physical and Nutritional Health* for allowable items and selling times.

Summary of Recommendations

- Field trip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with costs of the trip;
- Field trip planning should be reviewed to ensure established fees are commensurate with trip expenses;
- Funds collected must be promptly remitted by sponsors to the financial agent;
- School stores should comply with the requirements outlined in the *Handbook for the Operation of School Stores*; and
- Food and beverage items available to students should comply with MCPS Regulation JPG-RA.

Other matters were discussed and satisfactorily resolved. We appreciated the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, please provide a response to the Internal Audit office within 30 days of this report, with a copy to Dr. Darryl Williams, associate superintendent of middle schools. The Office of School Support and Improvement will follow up on this audit.

RWP:MJB:sd

Copy to:

Mr. Bowers	Dr. Williams
Dr. Statham	Mrs. DeGraba
Dr. Schiavino-Narvaez	Mrs. Milwit
Mr. Sanderson	Mrs. Chen




Tilden Middle School

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September 24, 2013

MEMORANDUM

To: Internal Audit Office
From: Mrs. Irina LaGrange, Principal 
Subject: Audit Report Response

The September 16, 2013 audit report made note of the fact that Tilden Middle School is largely compliant in the management of our IAF account. The report did illustrate that there are two areas in which our school needs to improve:

- 1.) Fieldtrip records prepared by sponsors must provide comprehensive data to account for all students eligible to participate, and to reconcile funds collected with costs of the trip.
- 2.) School stores should comply with the requirements outlined in the *Handbook for the Operation of School Store*.

In order to resolve the two areas of concern we have done the following:

- 1.) We have held a meeting to address the concerns and put strategies into place regarding field trip form distribution and money collection, effective immediately.
- 2.) We have held a meeting with the school store staff to address the concerns mentioned in the audit and discussed upgrades.

We are confident that these actions and procedures will assure that Tilden Middle School will be in complete compliance for our next audit.

If you have any questions please feel free to call me at (301) 230-5904.

Copy to:

Dr. Darryl Williams, Associate Superintendent of Middle Schools
Ms. Chung, School Financial Specialist